Message Text

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DEPT PASS IMMEDIATE SECDEF WASHDC FOR ISA; INFO IMMEDIATE JCS, PRIORITY; USNMR SHAPE, USDELMC, USCINCEUR CINCUSNAVEUR, CINCUSAFE, USDOCOSOUTH, DIRNSA EO 11652: GDS

TAGS: MARR PFOR GR US

SUBJ: AMB'S COMMENTS ON US-GREEK DEFENSE COOPERATION NEGS

- 1. IN THE LATEST SERIES OF US-GREEK DEFENSE COOPERATION DISCUSSIONS, WE MADE SUBSTANTIAL PROGRESS.
 WE MOVED AS FAR AND AS FAST AS INSTRUCTIONS PERMITTED.
 WE ACHIEVED OR EXCEEDED OUR OBJECTIVES FOR ALL FIVE
 MAJOR ISSUES WHICH WERE DISCUSSED IN DEPTH WITH THE
 GREEKS. ONLY THREE REMAINING ISSUES STAND BETWEEN US
 AND THE CONCLUSION OF THESE PROTRACTED NEGOTIATIONS
 WHICH BEGAN WELL OVER TWO YEARS AGO (SEE COMPANION STATUS REPORT).
- 2. THE GREEK GOVT HAS DEMOSTRATED THAT IT IS WILLING TO CONCLUDE THE NEGOTIATIONS FOR A NEW DEFENSE COOPERATION AGREEMENT AS SOON AS THESE LAST THREE ISSUES (OUTLINED BELOW) CAN BE RESOLVED. I HOPE THAT DURING THE BRIEF PAUSE NOW BEFORE US WE WILL BE ABLE TO DEVELOP POSITIONS WHICH WILL ENABLE CONFIDENTIAL

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US TO ACCOMPLISH JUST THAT.

3. THE THREE ISSUES:

A. AIRBORNE RECONNAISSANCE ASSISTANCE. I AM, OF COURSE, AWARE THAT WE HAVE HAD DIFFICULTY IN WASHINGTON IN IDENTIFYING THE SOURCE OF THE \$5.5 MILLION NECESSARY

TO FULFILL THE COMMMITMENT MADE EARLIER TO THE GREEKS. HOWEVER, THERE SHOULD BE NO MISUNDERSTANDING ON THIS POINT: UNLESS WE FULFILL THIS COMMITMENT, WE FACE, IN MY OPINION, THE PROBABLE TERMINATION OF ALL US AIRBORNE RECONNAISSANCE OPERATIONS IN HELLENIKON.

B. NEA MAKRI AND THE DEFENSE COMMUNICATIONS SYSTEM. ALTHOUGH WE BELIEVE PRESENT GREEK POSITIONS ARE BEING DRIVEN PRIMARILY BY HELLENIC NAVY CONCERNS. AT LEAST IN REGARD TO NEA MAKRI, I STRONGLY DOUBT THAT THE GOG WOULD SETTLE THE TELECOMMUNICATIONS ISSUES WITHOUT SOME SATISFACTION OF THESE CONCERNS. WITH THIS IN MIND, WE MIGHT WISH TO RE-EVALUATE OUR TOTAL REJECTION OF THE GREEK REQUEST FOR SOME KIND OF COST GUARANTEE, AS I AM NOT MYSELF PERSUADED THAT THERE IS NO POSSIBLE WAY FOR US TO ACCOMPLISH THIS. ALSO, I BELIEVE WE SHOULD CAREFULLY RECONSIDER THEIR SECOND PROPOSAL THAT THE US LEASE THEM EQUIPMET NECESSARY TO ESTABLISH A PARALLEL HELLENIC NAVY CAPABILITY AT NEA MAKRI AND THAT THEY PARTICIPATE IN THE US DCS TO THE EXTENT WE PREVIOUSLY PROPOSED. FINALLY AN INCREASE IN THE CREDIT PORTION OF THE \$700 MILLION SECURITY ASSISTANCE PACKAGE WOULD NO DOUBT BE ATTRACTIVE TO THE GREEKS, BUT I AM NOT AT ALL CERTAIN THAT IT WOULD RESOLVE THE ISSUE. AS THOSE DIRECTING THESE NEGOTIATIONS ARE AWARE, WE HAVE BEEN STRICTLY ENJOINED FROM TAKING ANY SOUNDING -- ON ANY BASIS -- ON THIS POSSIBILITY. THUS, SHOULD WE DECIDE TO TRY THIS THIRD OPTION, I BELIEVE IT WOULD BE PRUDENT FIRST TO SOUND OUT THE GOG CONFIDENTIAL

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IN SOME WAY AT AN APPROPRIATE LEVEL AND THUS AVOID THE POSSIBILITY OF THE GREEKS' SIMPLY GRABBING THIS INCENTIVE WHILE CONTINUING TO DEMAND ANOTHER SOLUTION.

- C. PARITY IN PROCUREMENT. THE GREKS HAVE REVISED AND SHORTENED THE LIST OF ITEMS THEY DESIRE TO BUY FROM US STOCKS AND THROUGH NEW PROCUREMENT. THE "FROM STOCKS" LIST CAN AND SHOULD BE NEGOTIATED DOWNWARD. HOWEVER SOME ADDED FLEXIBILITY ON OUR PART WILL CERTAINLY BE NEEDED TO CLOSE THE ISSUE. I BELIEVE WE SHOULD DO EVERYTHING POSSIBLE TO FIND THIS FLEXIBILITY WITHIN THE LIMITS IMPOSED BY OUR OWN GENUINE DEFENSE INTERESTS.
- 4. TO BE SURE, EVERY POINT WILL REQUIRE CONTINUED HARD BARGAIINING, AS DID ALL THOSE BEHIND US. HOWEVER, WITH REASONABLE POSITIONS AND PROPOSALS IN HAND WHEN DISCUSSIONS RESUME, THE US TEAM CAN BE EXPECTED TO BE AS EFFECTIVE IN SATISFYING OUR REQUIREMENTS WITH THE

REMAINING THREE ISSUES AS THEY HAVE BEEN WITH ALL THOSE WHICH HAVE GONE BEFORE.

5. IN CLOSING, I WOULD LIKE TO EXPRESS MY PERSONAL SATISFACTION WITH THE ACCOMPLISHMENTS IN THESE MOST RECENT NEGOTIATIONS AND MY APPRECIATION TO ALL THOSE, BOTH THE SMALL TEAM OF THREE FINE OFFICERS WHO HAVE BEEN HERE FROM WASHINGTON ASSISTING US AND THOSE IN WASHINGTON AND ELSEWHERE WHO HAVE BEEN BACKSTOPPING AND SUPPORTING US, FOR THEIR OUTSTANDING AND UNCEASING WORK. IT HAS BEEN A SPLENDID PERFORMANCE IN EVERY WAY. KUBISCH

NOTE BY OC/T: NOT PASSED ABOVE ADDEES

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